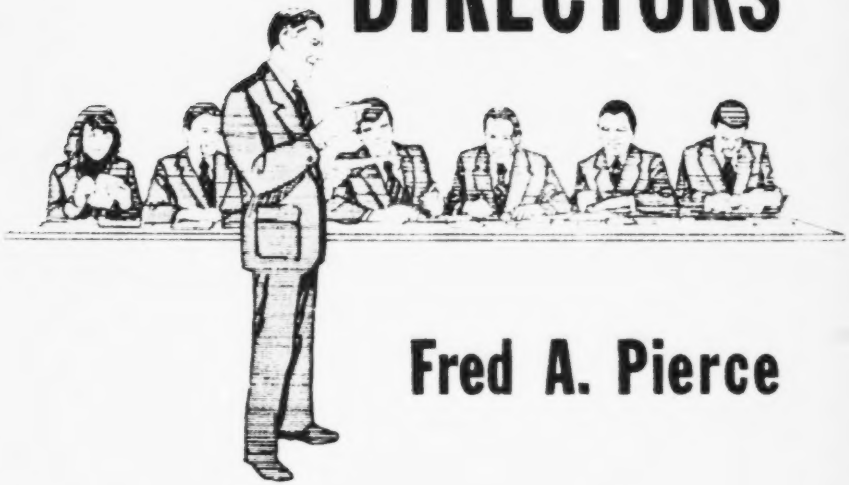
THE BOARD OF DIRECTORS



Fred A. Pierce

Procedures and ideas for Directors and Managers of Not-For-Profit organizations

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Introduction

The number of organizations in our society are increasing rapidly — co-operatives, community development, fire departments, agricultural commodity, school related, church related, and others. Each has a Board of Directors elected from the organization to carry out the management of these organizations. The role of these Boards is not well-known, and there are few resources from which to gather ideas and procedures.

The following articles, which were originally printed in Farm Focus, an agricultural paper for the Atlantic Provinces, are brief descriptions of procedures and ideas for Directors and other interested people.

These topics are not complete nor comprehensive, but will provide some basic procedures for Boards to follow which will help in making their organization more interesting and effective.

I am grateful to Mr. Paul Mohn, an economist with the U.S.D.A., who has worked closely with organizations in Nova Scotia; and from whose work much of the material contained in the publication has been taken.

I hope these ideas and this information will be useful to your Board members, and that your organization is able to reach the potential of success which comes when people work effectively with one another.

Sincerely,

Fred A. Pierce
Extension Specialist

What Purpose does a Board Serve?

A Board is a group of representatives brought together to fulfil a social, economic or development role. The main function, however, is to manage the affairs of the organization. Board members are usually democratically elected, although in some companies election depends on the financial investment the member or shareholder may have.

The most important function of a Board is to select the operating head of the organization. When that problem arises, the Board needs to go into action as an independent body, open to advice, but exercising full and prompt control. If it does this job well, it matters less if it is largely an ornament at other times.

The Board can still be useful if it will function in normal times. It can judge programs and plans, but should not undertake their formulation. A Board should never enter directly into management. The Board can make suggestions on all phases of the organization's activities and because of the Board's diverse background, this can be of genuine value. There must be an understanding between the Board and management so that rejection of suggestions carries with it no embarrassment on the part of anyone concerned.

The Board should judge but not manage -- a key point in effective relations. The manager or appointee (sometimes in small organizations, the President is appointed as manager), should be called upon to justify his important plans and programs before some individual or group competent to judge them. This judgement should be sympathetic and rigorous.

It is more difficult for a manager to make good decisions if he has no review of his plans and programs. He needs to have a group before which he appears and presents his plans and from which he eventually draws approval. A review of plans and programs by a responsible group should put any manager at a decided advantage to those who do not use their Board effectively.

It should always be clear that nothing goes to the Board from management except the conclusions and plans of the manager initiated by him or in response to Board initiation. The Board should never enter into relations with the staff. The manager is responsible before the Board for the acts and omissions of all his employees.

The Board has no authority between Board meetings unless by committee, and then only within the terms of reference of that committee. Board members need to be active between meetings; restrictions on information should be kept to a minimum. This is a difficult situation to cope with. Informal semi-social gatherings to discuss policies may be helpful. Committees commissioned to look into certain aspects of the business are also useful. Probably the most useful is to keep a keen eye out for all aspects of the business. Somehow, men learn how to judge other men in non-obvious ways.

The key to an effective Board is to get them interested in the operations of the organization and its people. This is a difficult task and is best accomplished when there is a genuine and specific objective to be attained.

If the organization is a good one, the Board should guide and support its manager and president in such a manner as to ensure, as far as possible, that the system escapes disaster from without.

What is the job of the Board?

The Board of Directors represents the general membership and "stands in" for members in the management and planning roles of the organization.

The Board's job can be described in a number of ways, but here are six areas of their responsibility:

1. To Carry Out the Policies Agreed On at Membership Meetings. During membership meetings, ideas are brought to the floor for discussion. A few of these are finally voted on by the membership and then become part of the organization's goals or objectives. In many instances, further clarification is required by the Board to make sure they are clearly stated and are generally understood. This may take time but it is very important to be clear and concise regarding the membership's intentions.

When this is completed, the Board must put into action procedures to respond to this policy. It may require delegating authority and responsibility to management people or it may mean forming a committee to further research and investigate the situation or it may mean the officers of the association, usually the president or secretary, write or contact someone in response to the policy.

2. Employ Management. This, as stated in Article No. 1, is probably the most important job of the directors. This means establishing adequate compensation, identifying the job of the manager and making sure that the roles of the directors and management are distinguished.

The directors carry out policies and direct the organization through management. Directors must work through the manager rather than around him.

3. Must Review Business Operations Regularly. The manager or secretary-manager is accountable to the Board for all actions of his staff and in turn the Board is accountable to the members for all actions of the manager.

A procedure must be enacted to make sure the manager is carrying out the policies of the Board and that the activities of the organization are consistent with its aims.

In many organizations this procedure requires a monthly board meeting where financial and operational reports are received and questioned.

4. Keep Members Informed. The Board is required to keep the members acquainted with matters of their concern, eg. finances, policies, and progress toward aims.

This reporting function can be done many ways. For small organizations, verbal reports at the annual meeting are adequate but for most, written communication is necessary, especially through an annual report. This report should contain information in a clear direct way and should indicate that the directors know what is going on and are in control of the operation, with the members' interests foremost in their minds.

5. Must Act as a Planning Body. A good Board is always looking to the future. The Board tries to forecast the future needs of the organization and its members. From this forecast, the Board attempts to decide what policies and changes will be required to accommodate future needs.

The future of the organization will be what the directors are planning today.

6. Other Jobs. The Board is responsible for assuring an audit is made and should confer with the auditor, noting his suggestions for improvement.

The Board must assure there is adequate insurance on the facilities and that there is sufficient liability insurance and bonding of employees.

The Board also approves new members' applications.

We will be discussing other areas of responsibilities and procedures of boards of directors in later chapters.

Functions of the Board of Directors.

The first two chapters talked about the need for a Board of Directors and their job. This chapter deals with the Functions of the Board of Directors.

The legal right and responsibility to manage the affairs of the kind of organizations we are talking about belongs to the Board of Directors. Members and stockholders do not have this right or responsibility to manage. Organizations that are legally incorporated, eg. Societies Act, Co-operative Associations Act, Companies Act, have no legal existence unless a Board is designated.

Actually the Board delegates these management responsibilities to the hired manager and assumes the role of (1) representing the members or shareholders, and (2) conducting the affairs of the corporation.

Board members individually have no more authority than any other member but together as a Board hold a trusteeship for the members or shareholders.

The five functions of a Board of Directors are:

1. Supreme decision center - by establishing objectives, approving goals, formulating and adapting policies, selecting the manager and controlling the organization.

2. Advisory - both for the management and for the members or shareholders. Members expect the Board to advise them in areas of law or ways the organization can be run more effectively. The manager expects the Board to be a sounding board where ideas can be tested. It is the manager's responsibility to seek this advice and to accept, modify or reject it accordingly.

3. Trustee - for members, stockholders, creditors and the general public by assuming responsibility for the management. This function is carried out by auditing and appraising the performance of the association.

4. Perpetuating - the organization, making sure it continues. The Board accomplishes this by (1) providing a good manager, (2) electing a good president and other executives, (3) guiding the executives, (4) assuring a good board is elected, (5) reviewing the service and products of the organization, and (6) providing for the future by appraising their own performance.

5. Symbolic - of strength and leadership, capable of motivating people toward the achievement of goals. The Board uses persuasion instead of force and effectively and responsibly uses its power to change attitudes and expectations.

The Board must legally report at least once a year, within four months of the year end, to an assembly of the members of which each member has been notified, usually by mail, stating the time, date, place and hour of the meeting. Any special information regarding changes in by-laws, major changes in direction or other extraordinary circumstances are listed in the notice as well.

With the dramatic increase in size and complexity of our organizations in the seventies, many members feel that their organizations are not as responsive as they once were. While the extra time required to run organization effectively often leaves little time to inform of the organization's activities, Board members must recognize the need to communicate with the membership.

As organizations become larger and more sophisticated in their business techniques, it becomes difficult for members to understand their organizations and even more difficult to communicate this information.

Many directors recognize the need to further their education. New techniques for effectively controlling organizations are now available for non-professional members who become Directors.

Productive Board Meetings

In this chapter I would like to discuss ways to make board meetings more effective, rewarding and, let's hope, shorter.

The key to productive board meetings is an effective board chairman or president. The president is like an orchestra conductor that orchestrates the organization; consequently, he has most of the responsibility for productive board meetings.

The productivity of a board meeting is directly proportional to how well directors judge proposals, come to sound conclusions, establish measures of evaluation and co-operate in the effective use of time.

The president and manager should be informed and prepared for what is to be discussed. The president should be familiar with parliamentary rules for meetings. The meeting should be orderly so that business can be effectively dealt with.

Agendas

An agenda is one of the most effective means of providing guidance to board discussions. The agenda is prepared by the president in consultation with the the manager. Each agenda item should indicate who will initiate discussion and whether the item will require an action or is for members' information.

The agenda should have a logical sequence and indicate the approximate time allocated to each item.

Agendas, to be effective, should be mailed out at least three days before the meeting so that members will have prior knowledge of what will be discussed. Any supporting information relating to the agenda items should be attached.

No new agenda items should be added by members of the board unless first discussed with the chairman with as much lead time as possible before the meeting.

Minutes

The minutes record the decisions of the board including both policies and actions. When the minutes of the last meeting are approved by the board and signed by the secretary and the president or chairman, they become a legal document.

Minutes of director meetings should contain - (a) the date, time and place of the meeting (b) a list of all the people who attended and those who were absent or late (c) an agenda of the meeting (d) all the motions and actions resulting from motions (e) highlights of other business and discussions including reports of committees, manager's report and communications brought before the board.

The mover and seconder of motions and any dissenting vote, if requested by the dissenting director, should be recorded.

The minutes book should be kept in a fire-retardant place.

Minutes, when approved by the directors, cannot be objected to later, so it is a wise practice to have the minutes of the last meeting circulated, along with the agenda, before the next meeting to give directors who may not be able to attend an opportunity to record their position on a subject.

Attendance at Meetings

Directors are expected to attend all board meetings. If a director is chronically absent, he cannot fulfil his duties as a board member. If there is no legitimate reason for his absence, the president must ask the member to resign. The board will then appoint another person to fill the vacated seat.

Board Committees

In some areas of business, a committee is a very effective means of increasing the efficiency of the board. Planning and controlling functions are particularly effective roles for committees. The chairman of the committee should be a leader rather than an idea person.

Committees should have set out for them by the president, with approval of the board: (a) the name of the committee, (b) purpose, (c) duties and responsibilities, (d) chairman's name, (e) committee members, (f) when they are expected to report, (g) how much money they have to spend, and (h) co-ordination with other committees and their authority.

Keeping Directors Informed

Directors have a responsibility to keep themselves informed regarding their organization and its area of operation. This can be accomplished by attending conferences, meetings and training sessions. Reading related magazines, books and other printed material, and observing similar organizations are also ways to increase one's knowledge. The organization should cover training costs if possible.

Orientation of new directors is often overlooked. It is the president's responsibility to assure a new director is informed of the by-laws, financial position, policies and other pertinent information. The president will involve other directors, the manager and others in carrying out this responsibility.

A board manual is one of the most effective tools in keeping directors informed. We will cover this topic in a later chapter.

Organization Objectives

Peter Drucker, the father of modern management, says that "management by objectives works if you know the objectives. Ninety per cent of the time, you don't".

This is a common problem with most organizations. That is not to say there isn't an understanding of what the organization's purpose is, but there creeps into each and every organization, projects and plans that are quite different than the main thrust of the organization.

Good objectives blend group, individual and company objectives and must be formulated by the board rather than management, stockholders or members at large.

It's easy to avoid this responsibility. There are many important things to do in board meetings for the limited time available, and sometimes there are forces attempting to ensure their own survival, who do not seek to encourage establishment of company objectives.

An organization is based on two pillars -- objectives and a philosophy of management. The stability of the organization is dependent on maintaining the strength of both pillars.

Boards of directors must reach objectives that (a) gain support from those concerned, (b) satisfy members' needs and expectations, and (c) satisfy legal and social requirements.

Objectives are statements of purpose that define the organizations's mission. They should:

1. Record the direction the organization should take.
2. Predict behaviour of each unit.
3. Appraise soundness of decisions when they are being made.
4. Improve overall performance.
5. Provide a basis for internal control.

Objectives should exist for the following areas:

1. Geographic limitations. For example, it is the objective of this organization to concentrate on the needs of farmers in the three western counties of the province.

2. Members service. It is the objective of this association to provide services to members that reflect changing farming practices.

3. Employee Performance. It is our objective to hire employees who seek satisfaction from superior performance and to provide opportunities for personal development and advancement for those who excel.

4. Productivity. It is our objective to constantly seek better utilization of people and resources, so as to improve the economic performance of our members.

5. Profitability. Our objective is to maintain our profitability so we are able to maintain adequate capital to finance production, to provide returns to members that exceed returns from competitors.

6. Social Responsibility. It is the objective of this organization to be a good corporate citizen and to encourage our employees to participate in community matters.

Other areas may be defined as they suit the particular oragnization.

Objectives should be:

1. Stated broadly to help define the direction and scope of the operations. They describe what the organization would like to be, rather than what it is.

2. A frame of reference which require only periodic review when they do not meet the needs of the organization.

3. Assistance to the board by pointing the direction the organization should take, overcoming objections of members, suggest productivity and emphasize survival.

4. Reviewed to adapt to external and internal conditions.

5. Written down for all concerned to see.

6. Understood by members, directors and employees.

7. Supported by all concerned.

All actions, plans and policies of the board and management should be in agreement with the objectives.

As you can see, determining objectives takes time and effort, but it's important to know where you are going, and to make sure everyone else associated with the organization knows as well. This is the basis of avoiding conflicts in organizations.

To quote a popular book title, "If you don't know where you are going, you'll probably end up somewhere else."

The role of the President

Throughout the first five chapters reference has been made to the president or the chairman. This chapter is going to zero in on the role and responsibilities of this, the most important position in the organization.

The president, for this chapter, is the elected head of the organization. In some cases, the president is the executives' head or manager. Although in some cases this works well, generally we will have to agree that separating the role of the president and the general manager makes sense. Providing they both do their job reasonably well, the president and the manager should compliment one another, rather than being competitors.

The success or failure of any organization, and its overall performance, in most instances is the result of the actions or lack of actions of the board of directors. Moreover, the president (elected head of the board of directors) has to assume most of the responsibility for the results.

If this statement is accurate, and I believe it is, then in many cases we have to direct our critical eye away from the manager of the organization as being the most important person and focus in on the president.

Now that the presidents are feeling a little uncomfortable in their chairs, a logical conclusion may be -- "If the president is going to accept most of the responsibility for the success or failure, then he must have authority and the privilege to put into effect plans and actions which could prevent negative results from happening in the organization."

The president should be elected by the members of the board of directors on the basis of his: (a) impartiality, (b) persistence, (c) ability to plan, (d) ability to coordinate, (e) ability to bring out and guide discussion, and (f) ability to bring a discussion to a conclusion. The board should write a job description for their president; listing his basic responsibilities, duties, authority, knowledge and character traits.

The president has the responsibility of assuring that their board functions effectively by: (a) providing leadership, (b) not taking over responsibilities, and (c) not neglecting responsibilities of the board.

The five most important functions of the board president are:

1. To organize an effective board which utilizes the strong points of each member. The president delegates to each member of the board, according to their strengths and weaknesses. The president should determine the make up of committees. The president makes sure each director asks penetrating questions of the manager and officers of the organization.

2. Maintain close professional relationship with the manager; maintaining a balance between the board and manager is critical -- if either dominates, the balance is lost. The president and manager should discuss internal and external operating problems, prepare agendas for board meetings and establish the

tempo of the organization. Above all, the president and manager should have a good mutual relationship and should set time aside, other than board meetings, to discuss the operation of the organization.

3. Conduct productive board meetings. When the board elects the president, they agree that the president will take a leadership role; and part of this is to have productive meetings. The president must surpress irrelevant discussion, use parliamentary procedure sparingly, encourage directors to speak on topics, make sure material presented has had adequate preparation and encourage brainstorming and new ideas. The chairman should prepare the agenda, assure alternatives are available for presentations, keep the discussion on track, handle difficult directors, deal with touchy issues, know the agenda subject matter and provide orientation for new directors.

4. Provide stability. Skilled leadership is needed where conflicts exist. The president must know personalities, prejucices, limitations and strengths of his fellow directors. The president should not express his view until all others have expressed theirs. He votes with a "slow hand", meaning usually last, so as not to influence the other directors. The president should strive for a large majority vote by prediscussion or by delaying a vote. A split vote will often cause instability.

5. Serve as spokesman for the organization. When the president speaks, he speaks on behalf of the co-operative. The president cannot divorce himself from the presidency. The president is looked on as a leader of the organization and he should find opportunities to speak for the organization. His actions strongly influence members, employees and the public.

The areas which distinguish an effective president are:

(a) leadership,
(b) impartiality,
(c) persistence,
(d) patience,
(e) respect (peers and manager),
(f) decisiveness,
(g) ability to plan,
(h) co-ordinate,
(i) bring out and lead discussions, and
(j) bring about decisions.

Effective Questions

The most effective impact the board has on the decisions and plans of the organization is through the question process.

Discerning and penetrating questions on all matters presented to the board are the privilege and responsibility of the board.

Good questions --

1. Focus the issue.
2. Make more information available.
3. Make decisions more effective.

Good questioning requires directors --

1. To study the situation in advance.
2. Have some experience.
3. Have tact, judgement and courage.

Discerning questions --

1. Educate the board and the manager.
2. Organize the thought of the manager.
3. Require the questioner to be a good listener.

Good managers usually invite discerning questions from the board. The willingness and ability to provide answers to significant questions raised by the board is a test of the qualifications of the manager.

The president must assure that the questions asked are --

1. To the given point; not disconnected, or two subjects at one time.

2. Are kept objective and not directed toward personalities.

Following are nine types of discerning questions:

1. To clarify data
   -- What do these figures mean?
   -- Did you mean _____? or
   -- Did you mean _____?

2. To test the reliability of data
   -- Is that report dependable?
   -- How do we know it's reliable?
   -- How accurate have these reports been in the past?

3. To get more data
   -- Can we get more information?
   -- Are other figures available?
   -- How does this compare with the national average?

4. To stimulate other alternatives
   -- Isn't there some other possibility?
   -- How could we make this idea more acceptable?
   -- Shouldn't we study this proposal further so we don't miss anything?

5. To focus on areas of agreement and away from areas of disagreement

   -- Could we accept the three points we agreed upon?

   -- Why not look at it from the angle of what is right rather than who is right?

   -- How vital do we consider this point on which we don't agree?

6. To direct attention to the probable effects of a proposal

   -- How will it affect our finances?

   -- How will it affect our services?

   -- Who is the program going to benefit? or hurt?

7. To check the degree of probability of the effects

   -- How probable is the proposal you predict?

   -- Is it certain our members will reject the idea?

8. To direct attention to the relative value of probable effects

   -- Which of these probable outcomes do we think is more important?

   -- Why don't we compare the long term value of one alternative against the other?

9. To terminate a discussion and reach a decision

   -- Have we heard all your ideas?

   -- Are we ready to come to a conclusion?

   -- Is there a point in discussing this matter further?

Questions for Directors

The last chapter dealt with questions that the president must ask at board meetings. This chapter will concentrate on questions that board committee members and directors might ask.

The following is a check list of discerning questions:

1. Financial -- How do actual results compare with the budget? What is the forecast of operational and capital needs for the next twelve months? How is excess cash being invested? What are our sources of money? How do our financial ratios compare to the industry standards?

2. Auditing -- Does the auditor make surprise visits? Are all major accounts tested? How much of the auditing fee is for preparing statements and doing other accounting functions? What could we do to reduce the cost of the audit? Are we taking advantage of the experience and knowledge of the auditor by asking the auditor his verbal opinion of the operation?

3. Pricing -- Are we competitive? How do margins compare to industry standards? similar local businesses? Are the customers or members dissatisfied with our pricing?

4. Budget -- What is the income forecast for the next twelve months? How does this compare with last year's figures? Are the figures realistic?

5. Distribution -- Are our outlets adequately located? Are they adequate in quality? quantity? Are we set for growth? Do we have too high a percentage of our business in the hands of too few customers?

6. Competition -- What new competition do we have or are likely to get? What percent of the market do we have -- are we losing or gaining market share? What about new products, new lines to serve our members?

7. Management -- Do we have a succession plan? What happens if the manager leaves? Is management adequately paid? What training does the management have and expect to get? Is the board helping management adequately?

8. Board Succession -- What is the board doing to assure there is an adequate succession of competent, interested people? What compensation or benefits can we offer board members? What training has the board had and have planned in the future? How does our board rate compare to what members expect? Have we been giving the board of directors a rating test?

Now that we have dealt with how to conduct board meetings, the next chapter will touch on the philosophy of renewal that can keep board members innovative and ready for future challenges.

Renewal

No one can fail to notice that in many parts of our society there is decay and dry rot produced by apathy, rigidity and moral emptiness.

Every person and organization periodically requires to be renewed and revitalized in a meaningful way. People and organizations change. Some change because they're in a crisis; they've come to the end of the line, it's either change or die. Some change because they're bored, so tired of doing the same thing or of doing things that have no meaning for them. Yet others change because they want to. They recognize the opportunity to grow and develop. To accept this challenge is stimulating and exciting.

Renewal requires a hospitable environment for creative people. Renewal depends on motivation, commitment, conviction and the things that give meaning to existence.

Apathy and lowered motivation are the most widely noted characteristics of a civilization on the downward path. Apathetic persons accomplish nothing. People who believe in nothing, change nothing for the better. They renew nothing, they heal no one, least of all, themselves.

I heard of a man so concerned with the lack of motivation in society and the apathetic attitude in his community that he decided to call a meeting of the whole community to discuss the matter -- no one showed up.

We all stop learning at different times, for different aspects of our lives; for example, religious learning -- 15 years, politics -- 30 years economics -- 35 years. By the mid-thirties, most have stopped learning, or acquiring new skills or attitudes in any central aspect of their lives.

As we mature, we progressively narrow the scope and variety of our lives. We settle on a few friends, sports and interests. We lose freshness.

It may be a sad commentary but it is probable that war is a great renewal mechanism. It exposes people to new experiences and stretches minds. "A quality of a stretched mind is that it never goes back to its original size".

The educational system's ultimate goal is to shift to the individual, the burden of pursuing his own education. The mobility of talent is a decisive force for social development and renewal.

Self-development = Self-knowledge + Discovery of talent.

It seems we don't often want to know ourselves, to depend on ourselves, or to live with ourselves. It is one of the most difficult things to know oneself and most inconvenient as well.

Fear of failing increases as we get older. We know we have many weak points and sometimes our past failures prevent us from ever trying again. We don't believe we can learn from our mistakes, but, if one will risk failure, it allows one to keep on learning. We require the courage that comes from knowledge.

Some of the most impoverished populations in the world are the most lethargic. Creative achievement requires a certain recklessness, or gambling quality so often suppressed in societies close to the margin of survival.

Child rearing practices determine the level of motivation in a society. Parents should (a) set high standards for their children, (b) encourage habits of self-reliance, and (c) avoid excessive authoritism.

The educational system sets society's expectations, develops skills, attitudes, habits, knowledge and understanding. These are the instruments of continous change.

The mind is an instrument to be used -- it is not merely a storehouse. When people learn what and who they are, it helps them to think about what they wish to become. In every area in which creative thought or action may occur the individual builds on the heritage of earlier work.

We should teach things which have the greatest long-term effect on the capacity to understand and perform. We should teach curiosity, open-mindedness, objectivity, respect for evidence and creative thinking. In a world of change, the versatile individual is a priceless asset.

Innovation

The normal Canadian churchgoer would be uncomfortable if he were to have some early Christians as house guests. These revolutionary people who broke the iron framework of custom were people of order and aggressiveness. They pursued their objectives with fervor and singleness of purpose.

Open societies are not themselves the means of renewal -- their virtue is that they nourish free men. Such men are an inexhaustible source of renewal.

Getting things done

Previous chapters have dealt with board meetings and the philosophy of change and renewal. This final piece wraps up the series by suggesting ways to increase job productivity and personal satisfaction on a day-to-day basis. The following points were developed from Edwin C. Bliss' recent book, Getting Things Done.

Annual or special meeting after action reports -- before you pack up, sit down and make two lists:

1. everything you did right

2. everything you did wrong.

It's a sure way of recording valuable lessons. Include how to do it better -- save time and energy next time.

Categories of time use -- break all action into five categories --

1. Important and Urgent -- must be done immediately -- no decision required.

2. Important, not Urgent -- attention separates the effective from the ineffective people. These areas require your special attention and effort to do because they are postponable.

3. Urgent, not Important -- this area often replaces category 2, usually because someone is personally asking you to do it. It's hard to turn down a friend.

4. Busy Work -- often diversionary; provides a a feeling of activity and accomplishment and an excuse to postpone category 2.

5. Wasted time -- anything you feel bad after doing.

Clutter -- usually people who get things done despite a chaotic desk are able to do so only because they have a secretary or assistant whose orderliness compensates for their own disorganization. Take time to organize your desk. Sort the papers into four categories:

(1) immediate action,
(2) low priority,
(3) pending, and
(4) reading material.

Put the highest priority items in the middle of the desk and the rest out of sight. Do one thing at a time, focus your attention on it. Put knick-knacks, photos and other trinkets in another area that won't cause distraction.

Communication -- a frequent waste of time is caused by lack of clear, germane communication between people. Be frank, open; keep the air clear. When there is communication dissatisfaction, talk about things rather than the person. Don't allow sloppy work to go unchallenged -- it increases your work load.

Concentration -- Don't try to do too many things at one time. The amount of uninterrupted time spent on a project is what counts. Important tasks require no phone calls, no visitors, no mail and no interruptions.

Copies -- excessive record keeping is a system of insecurity. If it's filed elsewhere and accessable -- throw the copy away. Consider throwing out old newspapers, magazines, routine memoranda, information copies of others' memos, etc.

Correspondence --

(1) have incoming mail screened and sorted

(2) handle each letter once -- respond immediately, by phone if possible

(3) brief replies should be written on the memo and returned to the sender

(4) dictate on tape

(5) use form letters

(6) don't revise -- perfectionism is time consuming

(7) outline long memos before dictating

(8) avoid unnecessary copies

(9) use speedletters or phone whenever possible

(10) use short terse words

Deadlines -- set and respect a deadline for each task.

Delegation -- of challenging and rewarding tasks, as well as chores -- motivates people. Don't put strings on delegation -- entrust.

Dictating machines -- use one if you are able. It permits you to dictate at your speed and doesn't waste secretaries' time.

Exercise -- is one of the most important things to do and should be at the top of the list of things to do.

Fear -- of embarrassment, rejection, failure, pain is overcome by knowledge. Face the problem, evaluate the alternatives, say "What is the worst that can happen?"

Files -- When deciding what to file ask -- "If I wanted this item again some day and didn't have it what would I do?" Note it in your calendar and throw it away. If in doubt about keeping a paper, throw it out. A few fat files are better than a lot of thin ones. Files should be the exclusive domain of whoever does the filing.

Goals -- the first step for your lifetime and your profession. Goals should be specific and time orientated. Also set short-term goals. Goals should be attainable, flexible, updated and prioritized each day. Measure activities against your goals.

Information overload -- an organization is a structure to prevent information from reaching the top desk; only the knowledge of the results. Cancel subscriptions that don't give value. Delegate completely, so you don't have to be informed. Manage by results rather than procedures. Keep informed on progress and problems requiring your attention.

Interruptions -- (1) Can someone else answer some of your calls?

(2) Have all but emergency calls returned at a specific time, at your convenience.

(3) Make calls short and business-like.

(4) Set aside time for phone calls and consultations.

(5) Occasionally work in areas that are free from interruption.

Lists -- keep two lists for each day -- one for appointments and times, another for "to do". Do important things first -- this includes important but not urgent items. Prepare a list at the end of the day for tomorrow.

Meetings -- should be well-planned and well-managed. Don't meet unless you need to. Start on time, stick to the agenda, restate at the end of the meeting the decisions reached, assignments made, deadlines made and confirm in writing the same day. Keep minutes and speak up and contribute.

No -- the most effective time saver. Don't accept new assignments, without weighing the cost in time.

Perfectionism -- the price of perfectionism is often prohibitive and it also wastes time.

Planning -- plan your day, your week, do things to reach your goals -- not other peoples'. Have two or three major things to accomplish each day.

Procrastination -- divide project into two pieces, take a piece at a time -- divide and conquer. Make things a habit -- (1) decide to make the change immediately, (2) don't try to do too much too quickly, (3) don't allow any exceptions, and (4) do the unpleasant first.

Time log -- the most valuable tool for getting control of time. Indicate what you are doing each 15 minute period of the day. What are you doing now? What is the object of what you are doing now?

Wastebasketing -- 3/4 of items in the files should be in the wastebasket. Find ways to cut off paper flow in your office.

Workaholic -- symptoms include refusal to take a vacation, inability to put office out of your mind during the weekend. A bulging briefcase full of work is often caused by a subconscious desire to be snowed under.

Annual Meetings

Why are annual meetings for the most part poorly attended? Is it because many annual meetings are uninteresting, poorly planned, slow moving and not really wanted. Are many a waste of time and just a tradition and a thing to do?

Annual meetings can be a great opportunity to develop the organization and stimulate the membership. We should examine why some meetings are good and attempt to implement these practices in our organization. We should also find out what is wrong with our meetings and commit ourselves to make them better next time.

The Board should first determine if they really want a good annual meeting. What is the annual meeting expected to accomplish? Is it just to satisfy the law? or is the Board really prepared to use the annual meeting to meet its responsibility to communicate to the members.

If you really want a good annual meeting, you must be prepared to work to reach that goal.

First, you must plan; preferably two months in advance.

Second, appoint a committee of two: one management and one director, with power given the committee, to add members if need be.

Third, the committee must have a budget and freedom to spend within that budget. A good guide for an annual meeting budget would be 2 percent of net savings, or $2 per member.

Fourth, establish the purpose of the meeting other than its legal requirements. It could be, for example, to tell members about co-operation, talk about long term plans of the organization, or just good fellowship.

Fifth, keep the dull elements to a minimum. Allocate no more than 20 - 30 minutes for the finances and directors' reports. Have them pre-printed if possible, and pre-circulated to members. Have them adopted as circulated and get on with the important part of the meeting.

Sixth. Since meetings are designed to bring about change in people, we have to be effective and efficient in our meetings. If the president of the Board is not an effective chairman of a large group, he should appoint a chairman of the annual meeting to assure an effective meeting.

Seventh. Allow everyone in the meeting to participate, if possible -- group discussions, effective questionnaire and later discussions. Make sure the results of the discussions are followed through and reported back.

Eighth. Have a source of entertainment, eg. speaker, movie, exhibits, etc. Use audio-visuals, whenever possible.

Nineth. Publicity for the meeting is important. Make sure members know about the meeting and what will take place at the meeting. Try to provide an attention-getter and reminder for the meeting date

Tenth. When the meeting is completed, evaluate it against the objectives -- interviews, questionnaires, or opinion of the committee. Write down the results, and plan to have the next one better.

Here's a check list for annual meetings.

1. Establish what is expected to be accomplished.
2. Establish a budget.
3. Give authority to committee.
4. Plan in advance.
5. Involve the members.
6. Reduce the reports time.
7. Use audio-visuals.
8. Premail as much information as possible.
9. Take notes of the meeting.
10. Group decisions are better than individual ones -- take advantage of this.
11. Make sure the meeting moves quickly.
12. Keep the meeting on track.
13. Prepare and circulate an agenda with times and people.
14. Appoint one person responsible for the meeting.
15. Be knowledgeable about the group.
16. Have good physical arrangements.
17. Give adequate publicity.
18. Involve the staff.
19. Evaluate with ideas for improvement.

Committees

"No great ideas have ever been formed in a committee, but lots of foolish ones die there."

"Though long abused, committees are something the human organization cannot do without."

Committees are an indispensable part of the operation of an effective organization. Committees bring different viewpoints to bear on a problem, and pool the experiences and wisdom of its members. The committee allows the group to focus its energy and ideas on a single area of the business.

The effective committee offers people the opportunity to participate and gain knowledge; it also builds camaraderie and understanding among members.

The effectiveness of a committee depends to a great extent on the chairman of that committee.

The effective chairman starts with an interest and enthusiasm in the subject of the committee, and confidence in himself in this area. Following are points which an effective chairman of a committee could possess:

(1) Salesmanship persuasive ability.
(2) Knowledge of the subject.

(3) Empathy - sees others viewpoints.
(4) Humour.
(5) Vision - distinguishes major issues.
(6) Support from the group.

The chairman leads the group as democratically as he can -- making sure that talented members are appointed to the committee and that these people are dependable and compatible. The chairman keeps the size of the committees small.

One of the most effective tools of a committee meeting is an agenda -- an agenda is usually prepared by the chairman, with input from the members. The items should have a guide as to time and order (easy ones first). It is usually wise not to cover too much at each meeting. The agenda should be circulated well in advance with any background material. People responsible for agenda topics should be listed.

Whenever possible, committees should have a permanent secretary, and members should be kept informed and involved.

The committee should meet only when necessary, and begin on time, in a comfortable, adequate room.

The chairman should have a written instruction sheet for each committee, including such matters as membership, authority, minutes, files, telephone numbers of members, budget, co-ordination with other committees, and reporting responsibility. This should be prepared by the chairman once a year, and should include an evaluation of the effectiveness of the committee.

Points to consider by chairman:

1. Keep members informed.
2. Use the committee. Share responsibility and work load.
3. Invite guests when appropriate.
4. Delegate, eg. a co-chairman.
5. Meet only when necessary.
6. Prepare an agenda and circulate along with notice of the meeting.
7. Meet conveniently with members.
8. Keep numbers small, as a rule.
9. Recruit special knowledge, or talent, or interest as members.
10. Chairman is expected to provide leadership.
11. Are the members dependable and willing to work?
12. Are the members compatible?

How well is your Board Operating?

Since the Board is responsible for the results of the organization, each of the areas of its responsibility should be assessed by the Board to determine areas where attention should be given to develop skills to overcome weaknesses.

The following table will assist in determining the effectiveness of the Board and indicate areas that need attention.

The following categories indicate the score to be assessed: (5) Fully Adequate; (4) Needs Improvement; (3) Needs Much Improvement; (2) Practically Absent; (1) Does Not Exist.

	5	4	3	2	1
DECISION CENTRE					
(a) Objectives & goals defined.					
(b) Policies defined.					
(c) Management System in effect.					
ADVISORY					
(a) Board to Management.					
(b) Member Meetings.					
(c) President relationship with Management.					

	5	4	3	2	1
TRUSTEE					
(a) Monthly Reports.					
(b) Questions Asked.					
(c) Management review.					
(d) Audit Review.					
(e) Budget Preparation & Review.					
PERPETUATING					
(a) Job Specifications.					
(b) Training Program.					
(c) Succession Plans.					
(d) Long-range Planning.					
(e) Performance Reviews.					
SYMBOLIC					
(a) Member Representation.					
(b) President's Leadership.					
(c) President as Spokesman.					
(d) Board Confidence.					
(e) Adaptable to Change.					

To score your Board's effectiveness, compare to the following scores:

80 points and over — excellent - Board is in control.

60 - 80 points — acceptable performance - requires a continued effort to increase effectiveness.

40 - 60 points — Caution - responsibility may be abdicated to some other group, a concerted effort should be given to upgrade effectiveness.

40 points and below — Danger - recovery may be difficult and unsettling. Extraordinary measures need to be applied to rectify the situation.

Board of Directors Manual

Every board member should have a manual which provides essential information and documents. The manual should be prepared and developed by the board and manager jointly, with particular concern to meet the organization's special needs. A looseleaf binder is recommended.

A manual will help directors understand their responsibilities, the position they have in relation to other directors, and what has gone on before in the organization.

A manual should contain:

1. Brief history of the organization.
2. A statement of the objectives of the organization.
3. Organization chart - board and staff.
4. Board Committees and their members.
5. Names, addresses and telephone numbers of each board member.
6. Job descriptions of the president, the manager and the board.

7. By-laws of the organization.
8. Current minutes and agendas of the board meetings.
9. Board and management policies.
10. Financial statements.
11. Operating and capital budgets.
12. Long range plans.
13. Special reports.

The Ultimate Board

Following is a capsule summary of an ideal Board of Directors. A board may set its goal to operate in this manner. Those that come close are successful and nearly satisfied with their role as directors.

Decision Center - Growth and change function, using Objectives, Goals, and Policies, as determined by the Board. The O.G.P. of the organization are well researched, well written and are available to management, staff and members. The O.G.P. are understood by all. They are communicated and explained well; the president assures this happens. MBO or another management system based on results is operating in the organization. All actions are based on the agreed O.G.P. and these are reviewed at least yearly by a committee and recommended changes made when appropriate.

Advisory - for management and members. The manager has a close professional relationship with the president and seeks advice often from the president and the Board. The Board advises the manager whenever it feels the manager requires advice. Usually this advice is given through the president in regular Board meetings when the manager is not in attendance. The Board communicates the required legal changes to the membership and advises them regarding the changes required with alternatives available to them.

Trustee - for members, creditors, and the general public by assuming responsibility for the effective management of the corporation. Monthly reports are given which indicate when performance is outside an acceptable standard and discerning questions are asked regarding performance. Corrective actions are requested of the manager and president. Controls of the business are reviewed by committees which report their findings to the Board. The manager is reviewed bi-annually and performance compared to predetermined goals. An audit committee interviews the auditor to substantiate verbally their confidence in the performance of the organization.

Perpetuating - Executives, Board members and Products. Assures effectiveness of the vital forces in the organization so that the organization perpetuates is an effective instrument to meet the needs of the members. Job specifications are written and reviewed annually for all Board officers, management, and are to be completed for all key staff to be reviewed by management. Board members and staff are expected to take training sessions to improve their skills. A successor to the general manager is available, usually employed in the system. Membership levels are maintained by an active recruiting program monitored by the Board. Board succession is guaranteed by a good development program for prospective members. New products and services are being researched and studied by the implementation of a long range planning program. The Board assures that the facilities, products and services are meeting the needs of present and potential members and that new developments will be met with the proper facilities, attitude and personnel.

Symbolic - indicates leadership and power of hierarchy. The Board of Directors is a closely knit unit, knowledgeable of their position, posessing leadership skills and representing all factions of the membership. They have elected a president from their numbers who has a close professional relationship with the general manager and who competently orchestrates the Board to capitalize on the strengths of the membership. The president speaks publicly for the organization except where this function has been delegated to other Board members or the general manager. Directorship is truly a position of honour, responsibility and trust, a position reserved for leaders. The Board uses their position as symbolic leaders in communication with the manager as a substitute for force in maintaining the power system. Persuasion takes the place of coercion even though the Board has power to take more drastic action. The Board is a symbol of change and a progressive attitude which permeates the operation of the organization The members, staff and management have respect and confidence in the Board, a position which has been earned.

ABOUT THE AUTHOR

Fred A. Pierce is a Co-operative Extension and Marketing Specialist with the Nova Scotia Department of Agriculture and Marketing.

Prior to joining the Department of Agriculture and Marketing, he managed a number of producer Co-operatives in Ontario and Nova Scotia. During his tenure as manager, he had close contact with Boards of Directors of agricultural supplies businessess, including grain elevators, feed mills, fertilizer blending plant, as well as the usual farm supplies items, such as seed, chemicals, hardware and petroleum products.

Over the years, Mr. Pierce has served on many Boards of Directors, serving terms as secretary, president; and on committees where he gained first-hand experience of Boards' operations and management.

Mr. Pierce received his B.Sc. in Agriculture from McGill University's Macdonald College; a diploma from the Nova Scotia Agricultural College; and has attended many management and administrative seminars over the years.

Pierce has conducted seminars and sessions on Board organization and development and has advised many boards on board operations and management techniques.